



BILLING CODE 3510-DS-P

DEPARTMENT OF COMMERCE
Foreign-Trade Zones Board
(B-50-2018)

Foreign-Trade Zone (FTZ) 41 – Milwaukee, Wisconsin
Notification of Proposed Production Activity
Generac Power Systems, Inc.
(Outdoor Power, Pumps, and Lawn and Garden Equipment)
Jefferson and Whitewater, Wisconsin

Generac Power Systems, Inc. (Generac) submitted a notification of proposed production activity to the FTZ Board for its facilities in Jefferson and Whitewater, Wisconsin. The notification conforming to the requirements of the regulations of the FTZ Board (15 CFR 400.22) was received on August 6, 2018.

Generac already has authority to produce generators, pressure washers, engines and related components within Subzone 41J. The current request would add finished products and foreign status materials/components to the scope of authority. Pursuant to 15 CFR 400.14(b), additional FTZ authority would be limited to the specific foreign-status materials/components and specific finished products described in the submitted notification (as described below) and subsequently authorized by the FTZ Board.

Production under FTZ procedures could exempt Generac from customs duty payments on the foreign-status materials/components used in export production. On its domestic sales, for the foreign-status materials/components noted below and in the existing scope of authority, Generac would be able to choose the duty rates during customs entry procedures that apply to burn cages (for yard debris); steel hot air distributors; firewood racks; earth boring tools; diaphragm pumps; reciprocating positive

displacement pumps; rotary positive displacement pumps; centrifugal pumps; single stage pumps with discharge outlet; leaf blowers; electric power graders; trenchers; backhoes; snow blower attachments; snow blowers; power trenchers; ground graders; grade blades; front end loader forks; backhoe attachments; tillers; leaf and lawn vacuums; electric rotary mowers; rotary mowers; self-propelled mowers gas powered; pull behind rotary mowers; pull behind mowers non-rotary; field and brush mowers/trimmers; stump grinders-forest machinery; portable sawmill machines; log splitters; chippers; chain saws; electric trimmers; electric fence trimmers; earth augers; gas power trimmers; portable outdoor heaters; transfer switch panels; self-propelled wheelbarrows; light towers; and, power brush attachments (duty rates range from duty free to 6%). Generac would be able to avoid duty on foreign-status components which become scrap/waste. Customs duties also could possibly be deferred or reduced on foreign-status production equipment.

The materials/components sourced from abroad include: wash preparations/agents; cleaning preparations/agents; monofilament trimmer cord; polyurethane foam insulation; plastic covers for outdoor equipment; plastic handles/knobs; plastic washers; plastic shrouds for generators; molded plastic buckets; molded rubber housings/bushings; inner tubes; plywood packaging cases or boxes for shipping; rough cut wood posts and rails for packaging; packing paper for shipping; cardboard cartons; printed warranty cards; disposable textile bag liners (for outdoor power equipment); carbon fiber covers for lawn and garden equipment; stainless rope/cable with fittings; iron ductile fittings; stainless steel fittings; iron threaded elbows; stainless steel burn cages (for yard debris); stainless steel wire with fittings; steel

stranded wire, ropes, cables; woven steel mesh; steel roller chains; steel skid chains; steel welded linked chains; stainless steel burn cage bases; iron or steel wire; copper bus bars; aluminum fasteners/hardware; chain saw blades; earth boring tools; lawnmower blades; replacement mower blades, long reach; pneumatic cylinders; steel brackets (for generators and outdoor power equipment); steel bracket component plates; stainless steel hoses; spark-ignited engine powerheads; telescoping linear engines; power engines; governor linkages; diaphragm pumps; reciprocating positive displacement pumps; rotary positive displacement pumps; centrifugal pumps; single stage pumps with discharge outlet; winches; jacks; electric power graders; snow blower attachments; jack housings; winch housings; pallet jack lifters; powered pallet jack levers; manual pallet jack beds; backhoe shovels; backhoe arms; snow blower chutes; plow shoes; gravel scrapers; self-propelled mowers, gas powered; brush trimmer wheels; brush trimmer housings; mower handles; wood splitter bases; multi-sharpeners; wood chipper heads; wood chipper cast-iron housings; saw guides; wood splitter engine mounts; chain saw housings; gas trimmer shafts; trimmer handles; control or adapter units; transmission shafts- rotor shafts; housed bearings incorporating ball bearings; AC alternators 375-750 kw; AC alternators exceeding 750 kw; ballasts; battery chargers; power plugs; bridge rectifiers; inverters; power supplies; power supply housings; flexible magnets composite; un-magnetized magnets composite; sealed lead acid batteries; nickel-cadmium sealed batteries; lead acid batteries; lithium-ion batteries; battery housings; leaf vacuum bases; distributors; light reflectors; transmitters/receivers; transmitter cases; fixed resistors; fuse holders/circuit protecting; junction boxes; switch circuit boxes; lamps; lamp bulbs; metal halide lamp bulbs; indicator lights; electric

synchros/transducers; electrical conductors; mufflers; self-propelled wheelbarrow tires; self-propelled wheelbarrow frames; trailers with tanks; car trailers; generator trailers; trailer wheels; hydrometer bases; fluid level measuring devices; pressure switches; sensors; resistance measuring instruments; light towers without outlets; plastic lamp hoods; light tower risers; and, lamp bases (duty rates range from duty free to 10.7%).

The request indicates that disposable textile bag liners and lithium-ion batteries will be admitted to the zone in privileged foreign status (19 CFR 146.41), thereby precluding inverted tariff benefits on such items. The request indicates that iron ductile fittings are subject to an antidumping/countervailing duty (AD/CVD) order if imported from certain countries. The FTZ Board's regulations (15 CFR 400.14(e)) require that merchandise subject to AD/CVD orders, or items which would be otherwise subject to suspension of liquidation under AD/CVD procedures if they entered U.S. customs territory, be admitted to the zone in privileged foreign status (19 CFR 146.41). The request also indicates that certain materials/components may be subject to special duties under Section 301 of the Trade Act of 1974, if imported from China. The determination of Section 301 duties requires that such merchandise be admitted to the zone in privileged foreign status (19 CFR 146.41).

Public comment is invited from interested parties. Submissions shall be addressed to the Board's Executive Secretary at the address below. The closing period for their receipt is **[INSERT DATE 40 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**.

A copy of the notification will be available for public inspection at the Office of the Executive Secretary, Foreign-Trade Zones Board, Room 21013, U.S. Department of

Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230-0002, and in the "Reading Room" section of the Board's website, which is accessible via www.trade.gov/ftz.

For further information, contact Diane Finver at Diane.Finver@trade.gov or (202) 482-1367.

Dated: August 14, 2018

Elizabeth Whiteman

Acting Executive Secretary

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